



CLARENDON AND PITTSFORD

June 5, 1978

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REGISTRATION NO. _____ FILE 1425

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INTERSTATE COMMERCE COMMISSION

Rex Railways, Inc.
616 Palisade Avenue
Englewood Cliffs, New Jersey. 07632

Gentlemen:

This letter will amend the Lease Agreement dated May 24, 1978 between the Clarendon and Pittsford Railroad Company as Lessee and Rex Railways, Inc. as **Owner/Lessor** for 250 Boxcars.

Paragraph 6A (ii) is deleted and in its place instead the following Paragraph is inserted:

6A (ii) "In the event the utilization exceeds 80 per cent but not more than 90 per cent in any calendar year, REX shall receive an amount equal to the REX Base Rental plus an amount equal to one-half of the revenues earned in excess of the REX Base Rental. For the purpose of this Agreement, REX Base Rental shall be an amount equal to the total mileage charges and car hire revenues for the calendar year multiplied by a fraction, the numerator of which is 80 per cent and the denominator of which is the utilization for such calendar year. (The determination of REX Base Rental in Paragraph (ii) insures that the Lessee will, if the utilization is greater than 80 per cent but not more than 90 per cent in any calendar year, receive one-half of all mileage and car hire revenues earned by Lessee in excess of the REX Base Rental. ")

A new Paragraph 6A (iii) is inserted as follows:

6A (iii) "In the event the utilization exceeds 90 per cent in any calendar year, REX shall receive an amount equal to the REX Additional Rental. For the purposes of the Agreement, REX Additional Rental shall be an amount equal to the total mileage charges and car hire revenues for the calendar year multiplied by a fraction, the numerator of which is 85 per cent and the denominator of which is the utilization for such calendar year. (The determination of REX Additional Rental in Paragraph (iii) insures that the Lessee will receive all mileage and car hire revenues earned by Lessee in excess of 90 per cent of utilization in any calendar year, in addition to the Lessee's receipts specified in Paragraph 6A (ii) above and one-half of all mileage and car hire revenues earned by

Lessee if the utilization is greater than 80 per cent but not more than 90 per cent in any calendar year.)"

Paragraph 6A (iii) in the original Lease is renumbered to be 6A (iv).

Paragraph 6A (iv) in the original Lease is renumbered to be 6A (v).

Paragraph 6C is deleted and in its place instead the following Paragraph is inserted:

6C "In the event the utilization in any two (2) consecutive calendar quarters is less than 70 per cent, REX may at its option and upon not less than 30 days written notice to Lessee terminate this Agreement as to such number of Boxcars as REX shall determine; however, REX will not reduce this Boxcar fleet by more than 80 per cent of the original amount if Lessee has an operating need for these retained Boxcars."

In all other respects the Lease Agreement is ratified and affirmed by the parties hereto.

THE CLARENDON AND PITTSFORD
RAILROAD COMPANY

By:

H. T. Fulcher
President

REX RAILWAYS, INC.

By:

Robert M. Ginder
President